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**Top Secret** 

	National Intelligence Daily Cable for Wednesday June 16, 1976.
25X1	The NID Cable is for the purpose of informing
23/1	senior US officials.
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	LEBANON
25X1	Syrian forces yesterday pushed deeper into Palestinian-
	controlled areas of southern Lebanon and may have captured the
	town of Marj Uyun, a fedayeen staging area some 10 kilometers (6 miles) from the northeastern border of Israel. A Syrian col-
	umn is said to have advanced to within 4 kilometers (2.5 miles) of the border.
	Syrian Strategy
25X1	The new Syrian drive is consistent with a strategy
	aimed at isolating and blockading the Palestinians in Sidon and Beirut and preventing them from getting supplies from elsewhere
	in the south.
25X1	Syrian penetration into areas in the south where the
	Palestinians have been operating freely for years serves other purposes. One of Syria's main goals is to neutralize the Pales-
	tinian and Lebanese Arab Army forces that control the major

towns and to secure supply depots and arms caches. The Syrians

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may also be anxious to prevent Palestinian units in the area from launching raids on Israel -- a course which, in their current desperation, the Palestinians might adopt in order to provoke an Israeli counterreaction against the Syrians. Finally, the Syrian moves into the south provide a graphic demonstration to fedayeen leader Yasir Arafat that President Asad is determined to weaken the military power of the Palestinian forces and their allies and to eliminate any prospect that Arafat might receive substantial aid from other Arab sources. The Syrians probably hope that their strategy of isolating the Palestinians from the north, east, and now the south, will force Arafat to accept a truce on Syrian terms without a costly military showdown in Beirut. President Asad is gambling that Israel will perceive Syria's moves in the south as necessary to apply additional pressure on Arafat and to prevent attempts by any other Arab states to provide further military support to the Palestinians. We have as yet received no official Israeli reaction to the latest Syrian actions. The Israeli government will probably not consider intervening as long as it remains convinced that the Syrian operations are aimed against Palestinian and leftist forces. Other Syrian Moves

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in these areas seems to be confined to sporadic clashes.

approaches to Beirut, and Tripoli in an effort to isolate leftist and Palestinian forces in these cities. Military activity

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Syrian forces also are blockading Sidon, the southern

25X1	Christian forces are still seeking to gain ground against the Palestinians and leftists in the wake of the Syrian advance. According to press reports from Beirut, the Christians yesterday attacked leftist-Palestinian positions at Aynturah and shelled a Palestinian refugee camp in the Beirut suburbs.
	Diplomatic Wheelspinning
25X1	On the diplomatic front, Libyan Minister Jallud is again saying he has secured Syria's agreement to a plan for a phased withdrawal from Lebanon. According to an announcement by Jallud yesterday, the first stage of the Syrian pullback will come only after the proposed Arab League security force has taken up its positions and would involve a Syrian retreat behind the mountain passes in central Lebanon and into the north.
25X1	The second phase of the withdrawal would await a permanent political settlement of the crisis. Jallud, who left for Damascus yesterday, promised to establish a timetable for the withdrawal and return to Beirut today.
25X1	The Syrians are probably still just playing along with Jallud's mission to gain time. Syria reportedly has reassured the lebanese Christians that it has no intention of withdrawing its forces until after president-elect Sarkis is installed in office.
25X1	Close coordination between the Christians and the Syrians apparently prompted President Franjiyah's qualified acceptance yesterday of the Arab League's decision to send a joint Arab peace-keeping force to Lebanon. During a meeting with League Secretary General Riyad yesterday, Franjiyah and Interior Minister Shamun apparently expressed some reservations about the implementation of the League's resolution butlike the Syrians-gave their agreement in principle to the plan.
25X1	The Syrians and the Christians probably calculated that Christian endorsement of the joint security force will help delay its actual deployment as Riyad and his delegation try to meet Christian conditions on the size and disposition of the
25X1	force.

	USSR-SYRIA-LEBANON	
25X1	The USSR has responded to continued Syrian activity in Lebanon by appearing more responsive to the Palestine Liberation Organization. It also may be trying to place indirect pressure on the Syrians to disengage.	
25X1	Last Friday, the USSR announced that the permanent representative of the PLO had been received in Moscow by officials of the Soviets' Afro-Asian Solidarity Committee. The establishment of a PLO office in Moscow had been pending for almost two years, and the Soviet decision to permit its opening now seems to be a calculated move toward the Palestinians.	
25X1	The Soviets continue to avoid direct criticism of Syria, but now are siding more openly with the PLO in their media coverage of the fighting in Lebanon. They have even repeated a comment by Libyan leader Qadhafi suggesting that the Palestinians are more important than the Syrians.	25X1
25X1	The Soviets may have tried to use two recent meetings between Iraqi strongman Saddam Husayn and the Soviet ambassador to put such pressure on Syrian President Asad. Moscow certainly does not want to complicate its problems by encouraging Iraq to attack Syria, but it could wish to heighten Syrian uncertainty	25X1
25X1	over the security of its eastern flank.	
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#### ITALY

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Exchanges between Italy's political parties are becoming increasingly blunt and bitter as the campaign for the election Sunday and Monday enters its final days. The Communists appear to be making a major last-minute effort to convince wavering voters that the party would not radically alter Italian foreign policy. The Christian Democrats are trying to limit the potential damage from a resurgence of interest in the Lockheed scandal.

The Christian Democrats are hammering harder than ever on their basic campaign theme: that Communist accession to power would damage Italy's Western orientation. The Christian Democrats have abandoned their past tendency to balance this charge by noting the Communists' "responsible" behavior in some areas of domestic policy.

For their part, the Communists—who hope to draw the Christian Democrats into some form of collaboration after the vote—are now attacking the entire Christian Democratic Party rather than concentrating on Christian Democratic right—wingers, such as party president Fanfani. Earlier in the campaign, the Communists tended to differentiate between the Christian Democratic right—wing and those on the left who, prior to the campaign, were calling for a "dialogue" with the Communists.

Communist chief Berlinguer, in an interview with the country's leading newspaper yesterday, implied that he sees NATO as a way of protecting the Italian Communists from Soviet interference. Berlinguer said he felt "safer" in NATO than he would outside of it and suggested that his party would not be able to pursue an independent path if Italy were aligned with the Soviet bloc.

Previously, the Communists have explained their acceptance of Italian membership in NATO by saying that they favor the eventual dissolution of both NATO and the Warsaw Pact but do not want to upset the European balance of power in the meantime by pulling Italy out of NATO unilaterally.

Berlinguer's decision to discuss his differences with Moscow so explicitly appears to signal a concern on his part that the Christian Democrats may be making headway in their campaign to raise fears among Italians about the consequences of voting Communists.

25X1	The Lockheed scandal has returned to center stage with	
	the recent trip to the US by the parliamentary commission inves-	
	tigating the matter and the allegation that the commission ob-	
	tained evidence implicating Defense Minister Rumor in the affair.	
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25X1	The Christian Democrats had hoped to postpone consid-	
	eration of the commission's findings until after the election.	
	Under pressure from the other parties, however, the Christian	25X
	Democrats have agreed to hold a meeting of the commission today.	
	The leftist members of the commission are likely to leak to the	
	press any evidence damaging to the Christian Democrats.	_
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25X1	IRAQ-SYRIA	
25X1	The situation along the Syrian-Iraqi border remained essentially unchanged yesterday, although Iraq reportedly is continuing to move forces toward the border.	
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25X1	The Syrians, meanwhile, have joined in recent days in a war of words with the Iraqis. On Tuesday the Syrians described the Iraqi troop movement as intended to undercut Syria's role in Lebanon and to establish an atmosphere conducive to continuing Iraq's plotting against the Asad government.	
25X1	Both Syria and Iraq are exploiting the defection on Monday to Iraq of a Syrian pilot of Palestinian origin. He reportedly was flying a MIG-23. Baghdad radio is quoting the pilot to the effect that Syria's involvement in Lebanon has produced widespread disaffection in both military and civilian ranks.	
25X1	The Syrians evidently intend to use the incident to try to enhance the solidarity of the Syrian officer corps, some	

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-	of whose members have been disturbed by the turn of events in Lebanon. Syria, in saying the defection was instigated by some Palestinian leaders, is trying to depict the Iraqis and Palestinians as partners in an anti-Asad.	25X1
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	GREECE	
25X1	//Greek Prime Minister Caramanlis' new tough attitude toward the left was evident again in the speech he gave to Parliament last Saturday.//	
25X1	Caramanlis warned in his report that the conditions that prompted the military takeover in 1967 were re-emerging. He placed blame for a rash of recent strikes and demonstrations on the Moscow-backed communists and radical leftist Andreas Papandreou and declared that the government would clamp down on any leftist actions that threaten to lead to violence. He also derided the communists for receiving guidance from abroad and Papandreou for his advocacy of a nonaligned foreign policy.	
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25X1	//The government's position appears to have had	1 20/1
	at least a temporary sobering effect on the left.	25X1
25X1	//Papandreou has toned down his attacks against the government, possibly out of concern that the recent implication of members of his Panhellenic Socialist Movement in gun smuggling may be used by the government as a pretext to clamp down on his party's activities.//	]

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	PORTUGAL
25X1	Army chief Eanes' presidential campaign in Portugal picked up steam last week when he gave a strong performance in a televised debate among the four candidates. A fifth candidate, a returnee from Angola, was disqualified last week.
25X1	Eanes' front-runner status made him the center of the debate, and he was a more aggressive and articulate adversary than the other candidates expected. Prime Minister Azevedo, whose poorly financed campaign has barely gotten off the ground, will suffer the most from Eanes' performance. Azevedo was counting on the contrast between the two personalities to put him on top.
25X1	Eanes still cannot be sure that he will win a major- ity in the first round on June 27. A poll taken two weeks ago by a respected weekly newspaper showed that Eanes was favored by 33 percent of the respondents, but nearly 40 percent were undecided or declined to answer. Although Azevedo and far left candidate Otelo de Carvalho trailed far behind the front-runner, the poll showed they both were still slightly better known than Eanes.
25X1	//Some of Eanes' more conservative supporters are concerned that his political views are being dictated by the Socialists. The centrist Popular Democratswho will tacitly support a Socialist minority government as long as they are given the opportunity to exercise some influence on policywere alarmed by Eanes' recent assertion that a minority government ceases to be a minority when backed by a popularly elected president.//
25X1	//The Popular Democrats and the center-right Social Democratic Center still prefer Eanes because of his reputation as a strong leader. Neither party is likely to withdraw its endorsement of Eanes.//
25X1	The popularity of former security chief Otelo de Carvalho is the most surprising development in the campaign to date.  In a recent poll, Carvalho had more support among those who voted for the Communists in the April legislative election than did Octavio Pato, the Communist candidate

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	GREECE-TURKEY	
25X1	The Greek ambassador to NATO has expressed concern about the two-day Turkish air exercise that began yesterday over the Aegean, at a time when the officials from the two countries are holding talks in Paris to iron out their differences over airspace rights.	
25X1	Athens believes Turkey is being provocative in scheduling an exercise between the Greek mainland and the Island of Lesbos. The Greeks have said they will "bear no responsibility for the consequences" if the Turks violate Greek airspace.	
25X1	The Greeks are irritated because the exercise calls for Turkish aircraft to fly within the 18.5 kilometers (10 nautical miles) airspace limit set by Athens. Ankara recognizes only an 11 kilometer (six nautical miles) limit. The ambassador says Greece's claim to this limit is a matter of principle that must be repeated in the face of continued Turkish challenges.	
25X1	Turkey has held other exercises—the most recent from June 2 to 5—that conformed to its version of the limits of Greek airspace, but no incidents were reported despite strident statements by both sides.	25X1

#### URUGUAY

25X1 The high command of the Uruguayan armed forces is moving quickly to restructure the government after President Bordaberry's ouster last weekend.

Vice President Alberto Demichelli, an 80-year-old law professor, has announced that he will serve as interim president only two or three months. Then, a newly formed "council of the nation"--composed of senior military officers, cabinet ministers and selected civilian leaders--will choose a new chief executive.

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25X1	Front runners for the post are Foreign Minister Juan Carlos Blanco and Economy Minister Alejandro Vegh Villegas. Both men have done well in their cabinet positions and have managed to maintain good relations with top military leaders.
25X1	The new president, like Bordaberry and Demichelli, will be a figurehead. Armed forces leaders will rule by issuing "institutional acts," and they plan to restructure the country's political system in a step-by-step process over the next eight to ten years.
25X1	The armed forces leaders plan to have a new constitution drafted and a plebiscite to ratify it. Political parties and labor unions will gradually be allowed a limited role in government. Marxist organizations will be excluded.
25X1	The reorganization of the political system is an ambitious undertaking, particularly for a group of military leaders who have not worked well together in the past.
25X1	If the reorganization is to progress smoothly, Demichelli's successor will have to accept the fact that he is a figurehead president. It was the strong-willed Bordaberry's inability to play this rolethough at time he appeared to be tryingthat caused his constant squabbling with the generals.
25X1	Whoever is selected as chief executive, the country's conservative foreign and domestic policies will continue in close step with those of the military governments in neighboring countries. Relations with the US will remain good.
25X1	There has been almost no public opposition to Borda- berry's ouster and the military's plans for a new political structure. The system that is evolving runs counter to the coun- try's tradition of democratic participation, but most Uruguayans give higher priority to economic growth and domestic tranquility.
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	RHODESIA	
25X1	//Morale among the black members of Rhodesia's security forces has fallen as a result of increasing casualties in April and May,	5X
	25	5X <sup>-</sup>
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25X1	//The Rhodesian government's effort to control the insurgents depends heavily on the performance of the black troops. Blacks currently make up almost two-thirds of the police force and about half of the army regulars. Most blacks apparently joined the military to find a job rather than out of loyalty to the white regime, and some are reportedly uneasy about fighting against a nationalist insurgent movement.//	_
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